

Company registration number 13197270 (England and Wales)

**AZTEC OILS HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2022**

# AZTEC OILS HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J A Hartshorne M S Lord
<b>Company number</b>	13197270
<b>Registered office</b>	Intake Road Bolsover Business Park Bolsover Chesterfield S44 6BB
<b>Auditor</b>	BHP LLP 2 Rutland Park Sheffield S10 2PD

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# AZTEC OILS HOLDINGS LIMITED

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# AZTEC OILS HOLDINGS LIMITED

## STRATEGIC REPORT

**FOR THE PERIOD ENDED 31 MARCH 2022**

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The directors present the strategic report for the period ended 31 March 2022.

### **Fair review of the business**

A rollercoaster of a year for Aztec Oils Ltd with a promising start as the world started to get back to normal after Covid. The industry caught up with the huge price increases on raw materials in February to May and prices softened through to January enabling the company to retain a reasonable profit. The end of the year saw the invasion of Ukraine sending oil prices soaring with reduced availability of Russian base oils. Transport costs from Europe and the associated administration as a result of Brexit has permanently increased cost of working.

Turnover from continuing operations has increase by 24% in the year, largely explained by price increases introduced against large increase in the cost of raw materials. Good progress was made in new export markets which has broadened the company's profile. Export sales from continuing operations rose to 26% of turnover over 24% the previous year. Exports are on target to continue this upward trajectory as the UK market slows down. The rebranding of Aztec packaging has been very well received and has enabled the company to develop further with existing customers.

Aztec Lubricants NI Ltd operates purely to facilitate movement of Aztec products into the Republic of Ireland. Aztec Oils Europe BV operates purely to facilitate movement of product into mainland Europe. Both of these entities are not profit making.

### **Principal risks and uncertainties**

There is considerable uncertainty, with the worldwide supply chain in disarray, costs continuing to increase, transport issues and raw material shortages. The war in Ukraine is the biggest uncertainty and will make budgeting very difficult in the coming year.

### **Financial instruments**

The company utilises appropriate financial instruments in order to conduct its business activities.

#### *Price risk, credit risk, liquidity risk and cash flow risk*

The business's principal financial instruments comprise bank balances, bank overdrafts, trade debtors, trade creditors, hire purchase and finance lease agreements. The main purpose of these instruments is to finance the business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of invoice discounting at market rates of interest.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. It is the company's policy to pay all suppliers within a maximum of 40 days from end of month.

The business is a lessee in respect of finance leased assets. The liquidity risk in respect of these is managed by ensuring that there are sufficient funds to meet the payments.

On behalf of the board

M S Lord  
**Director**

11 November 2022

# AZTEC OILS HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 MARCH 2022

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The directors present their annual report and financial statements for the period ended 31 March 2022.

#### Principal activities

The principal activity of the company is that of a holding company.

The principal activity of the group is that of the supply of lubricants.

#### Results and dividends

The results for the period are set out on pages 7 to 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

J A Hartshorne

M S Lord

#### Auditor

BHP LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

# **AZTEC OILS HOLDINGS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 MARCH 2022***

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On behalf of the board

M S Lord  
**Director**

11 November 2022

# AZTEC OILS HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF AZTEC OILS HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Aztec Oils Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 March 2022 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

# **AZTEC OILS HOLDINGS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF AZTEC OILS HOLDINGS LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the parent company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

#### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with management, and from our commercial knowledge and experience of the lubricants supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environments and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.



## **AZTEC OILS HOLDINGS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AZTEC OILS HOLDINGS LIMITED**

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We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**John Warner (Senior Statutory Auditor)**  
**For and on behalf of BHP LLP**

11 November 2022

**Chartered Accountants**  
**Statutory Auditor**

2 Rutland Park  
Sheffield  
S10 2PD

# AZTEC OILS HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Continuing operations	Discontinued operations	Period ended 31 March 2022	Continuing operations	Discontinued operations	Year ended 31 March 2021
		£	£	£	£	£	£
<b>Turnover</b>	<b>2</b>	32,843,554	-	32,843,554	24,700,444	6,667,586	31,368,030
Cost of sales		(26,677,258)	-	(26,677,258)	(19,611,420)	(4,977,008)	(24,588,428)
<b>Gross profit</b>		6,166,296	-	6,166,296	5,089,024	1,690,578	6,779,602
Distribution costs		-	-	-	(1,245)	-	(1,245)
Administrative expenses		(5,285,311)	-	(5,285,311)	(5,038,599)	(1,524,178)	(6,562,777)
Other operating income		226,342	-	226,342	335,404	46,036	381,440
<b>Operating profit</b>	<b>3</b>	1,107,327	-	1,107,327	384,584	212,436	597,020
Interest payable and similar expenses	<b>7</b>	(73,934)	-	(73,934)	(57,213)	(10,731)	(67,944)
Amounts written off investments	<b>8</b>	-	-	-	(171,476)	-	(171,476)
<b>Profit before taxation</b>		1,033,393	-	1,033,393	155,895	201,705	357,600
Tax on profit	<b>9</b>	(250,280)	-	(250,280)	(107,159)	(53,244)	(160,403)
<b>Profit for the financial period</b>		783,113	-	783,113	48,736	148,461	197,197
Profit for the financial period is attributable to:							
- Owners of the parent company				783,113			118,364
- Non-controlling interests				-			78,833
							197,197

# AZTEC OILS HOLDINGS LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	Continuing operations	Discontinued operations	Period ended 31 March 2022	Continuing operations	Discontinued operations	Year ended 31 March 2021
		£	£	£	£	£	£
Total comprehensive income for the period is attributable to:							
- Owners of the parent company				783,113			118,364
- Non-controlling interests				-			78,833
				<u>783,113</u>			<u>197,197</u>
				<u><u>783,113</u></u>			<u><u>197,197</u></u>

# AZTEC OILS HOLDINGS LIMITED

## GROUP BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Goodwill	11	221,815		295,754	
Tangible assets	12	3,549,397		3,581,240	
			3,771,212		3,876,994
<b>Current assets</b>					
Stocks	15	3,535,441		2,996,659	
Debtors	16	8,109,803		7,222,288	
Cash at bank and in hand		60,626		275,093	
		11,705,870		10,494,040	
<b>Creditors: amounts falling due within one year</b>	17	(10,238,933)		(9,044,987)	
<b>Net current assets</b>			1,466,937		1,449,053
<b>Total assets less current liabilities</b>			5,238,149		5,326,047
<b>Creditors: amounts falling due after more than one year</b>	18		(1,722,971)		(2,191,134)
<b>Provisions for liabilities</b>					
Deferred tax liability	21	343,000		242,000	
			(343,000)		(242,000)
<b>Net assets</b>			3,172,178		2,892,913
<b>Capital and reserves</b>					
Called up share capital	23	10,000		10,000	
Other reserves		(9,800)		(9,800)	
Profit and loss reserves		3,171,978		2,892,713	
<b>Total equity</b>			3,172,178		2,892,913

The financial statements were approved by the board of directors and authorised for issue on 11 November 2022 and are signed on its behalf by:

M S Lord  
Director

# AZTEC OILS HOLDINGS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Investments	13		10,000		-
			=====		=====
<b>Capital and reserves</b>					
Called up share capital	23		10,000		-
			=====		=====

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period ended 31 March 2022 was £NIL (2021: £NIL).

The financial statements were approved by the board of directors and authorised for issue on 11 November 2022 and are signed on its behalf by:

M S Lord  
Director

Company Registration No. 13197270

# AZTEC OILS HOLDINGS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2022

	Share capital	Other reserves	Profit and loss reserves	Total non-controlling interest	Total
Notes	£	£	£	£	£
<b>Balance at 1 April 2020</b>	10,000	(9,800)	2,874,548	2,874,748	3,249,192
<b>Year ended 31 March 2021:</b>					
Profit and total comprehensive income for the year	-	-	118,364	118,364	78,833
Dividends	-	-	(100,199)	(100,199)	(34,289)
Disposal of subsidiary	-	-	-	-	(418,988)
<b>Balance at 31 March 2021</b>	10,000	(9,800)	2,892,713	2,892,913	2,892,913
<b>Period ended 31 March 2022:</b>					
Profit and total comprehensive income for the period	-	-	783,113	783,113	783,113
Contributions to employee ownership trust	-	-	(503,848)	(503,848)	(503,848)
<b>Balance at 31 March 2022</b>	10,000	(9,800)	3,171,978	3,172,178	3,172,178

# AZTEC OILS HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2022

		Share capital	
	Notes	£	
Balance at 1 April 2020		-	
Year ended 31 March 2021:			
Profit and total comprehensive income for the year		-	
Balance at 31 March 2021		-	
Period ended 31 March 2022:			
Profit and total comprehensive income for the period		-	
Issue of share capital	23	10,000	
Balance at 31 March 2022		10,000	

# AZTEC OILS HOLDINGS LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	29				
		1,588,915		(61,748)	
Interest paid		(73,934)		(67,944)	
Income taxes refunded/(paid)		1,025		(239,078)	
<b>Net cash inflow/(outflow) from operating activities</b>		1,516,006		(368,770)	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(642,662)		(1,163,672)	
Proceeds from disposal of tangible fixed assets		32,002		80,645	
Proceeds from disposal of investments		-		60,194	
Loans made		-		(250,000)	
<b>Net cash used in investing activities</b>		(610,660)		(1,272,833)	
<b>Financing activities</b>					
Proceeds from new bank loans		-		1,730,418	
Repayment of bank loans		(551,940)		(270)	
Payment of finance leases obligations		(64,025)		(59,970)	
Contributions to EOT		(503,848)		-	
Dividends paid to equity shareholders		-		(100,199)	
Dividends paid to non-controlling interests		-		(34,289)	
<b>Net cash (used in)/generated from financing activities</b>		(1,119,813)		1,535,690	
<b>Net decrease in cash and cash equivalents</b>		(214,467)		(105,913)	
Cash and cash equivalents at beginning of period		275,093		381,006	
<b>Cash and cash equivalents at end of period</b>		60,626		275,093	



# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 MARCH 2022**

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### 1 Accounting policies

#### Company information

Aztec Oils Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Intake Road, Bolsover Business Park, Bolsover, Chesterfield, S44 6BB.

The group consists of Aztec Oils Holdings Limited and all of its subsidiaries.

#### 1.1 Reporting period

The company was incorporated on 11 February 2021 and following a share for share exchange on 15 March 2021 with Lubricant Holdings (Midlands) Limited this company became the ultimate parent company of the group.

The accounting reference date was extended to 31 March 2022 to align with the rest of the group.

The 2022 financial statements are for the 14 month period from incorporation on 11 February 2021 to 31 March 2022. Comparatives have been presented under the merger accounting principles, see accounting policy note 1.3 for further details.

#### 1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.3 Basis of consolidation

On 15 March 2021 Aztec Oils Holdings Limited entered into a share for share exchange with the shareholders of Lubricant Holdings (Midlands) Limited. From this date Lubricant Holdings (Midlands) Limited became a subsidiary of Aztec Oils Holdings Limited. In accounting for the group reconstruction, the directors have applied the merger accounting method on the basis that no cash was paid in consideration, and the relative rights of the shareholders have been preserved. Accordingly under the merger accounting method, the assets and liabilities of Lubricant Holdings (Midlands) Limited have been carried at their previous book value and all profits before and after the transaction continue to be consolidated. In preparing the consolidated accounts to 31 March 2022, the merger accounting method requires the results and cash flows of the combining entities to be brought into the consolidated accounts from the beginning of the financial year in which the combination occurred, adjusted to achieve uniformity of accounting policies. Comparative information has also been provided to include the total comprehensive income for the combined entities, and their statement of financial position for the previous reporting date.

#### 1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

#### 1.7 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Leasehold land and buildings	Straight line over lease term
Plant and equipment	25% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.10 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

### 1.13 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

### 1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 1 Accounting policies

(Continued)

#### 1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.17 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the lease.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### 1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

#### 1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Turnover and other revenue

	2022	2021
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	32,843,554	31,368,030

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

<b>2</b>	<b>Turnover and other revenue</b>	<b>(Continued)</b>	
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Turnover analysed by geographical market</b>		
	Sales - Domestic	24,345,289	22,204,140
	Sales - Other EU	8,137,425	9,066,712
	Sales - Rest of the world	360,840	97,178
		<u>32,843,554</u>	<u>31,368,030</u>
		<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	<b>Other revenue</b>		
	Grants received	158,043	306,592
		<u>158,043</u>	<u>306,592</u>
<b>3</b>	<b>Operating profit</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Operating profit for the period is stated after charging/(crediting):		
	Exchange losses/(gains)	56,930	(61,838)
	Government grants	(158,043)	(306,592)
	Depreciation of owned tangible fixed assets	554,536	623,249
	Depreciation of tangible fixed assets held under finance leases	69,379	63,023
	Loss/(profit) on disposal of tangible fixed assets	18,588	(80,645)
	Amortisation of intangible assets	73,939	77,643
	Release of negative goodwill	-	(24,413)
		<u>514,339</u>	<u>(108,173)</u>
<b>4</b>	<b>Auditor's remuneration</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>
	Fees payable to the company's auditor and associates:		
	<b>For audit services</b>		
	Audit of the financial statements of the group and company	3,000	2,280
	Audit of the financial statements of the company's subsidiaries	17,250	16,735
		<u>20,250</u>	<u>19,015</u>
	<b>For other services</b>		
	Taxation compliance services	2,250	2,285
		<u>2,250</u>	<u>2,285</u>

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 5 Employees

The average monthly number of persons (including directors) employed by the group and company during the period was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Management	12	14	-	-
Office and admin	12	16	-	-
Production and despatch	54	68	-	-
Sales	7	10	-	-
Directors	5	6	-	-
Total	90	114	-	-

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	2,613,306	3,218,460	-	-
Social security costs	271,093	357,594	-	-
Pension costs	167,672	189,595	-	-
	3,052,071	3,765,649	-	-

### 6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	117,381	108,095
Company pension contributions to defined contribution schemes	1,974	1,793
	119,355	109,888

### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and loans	61,843	48,546
Interest on finance leases and hire purchase contracts	11,066	19,398
Other interest	1,025	-
Total finance costs	73,934	67,944



# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 8 Amounts written off investments

	2022	2021
	£	£
Gain/(loss) on disposal of financial assets held at cost	-	(171,476)

### 9 Taxation

	2022	2021
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	149,135	38,178
Adjustments in respect of prior periods	145	(6,175)
Total current tax	149,280	32,003
<b>Deferred tax</b>		
Origination and reversal of timing differences	101,000	128,400
Total tax charge	250,280	160,403

The actual charge for the period can be reconciled to the expected charge for the period based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	1,033,393	357,600
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	196,345	67,944
Tax effect of expenses that are not deductible in determining taxable profit	40	78,871
Change in unrecognised deferred tax assets	676	82,613
Adjustments in respect of prior years	145	(6,175)
Amortisation on assets not qualifying for tax allowances	14,048	-
Research and development tax credit	(37,376)	(33,294)
Effect of overseas tax rates	-	19,054
Tax at marginal rate	-	(48,610)
Fixed asset differences	(5,783)	-
Effect of changes in deferred tax rates	82,185	-
Taxation charge	250,280	160,403

An increase in the UK corporate tax rate from 19% to 25% was announced in the 2021 budget, this is scheduled to take effect from April 2023. Since the proposal to increase the rate to 25% has been substantively enacted at the balance sheet dates, its effects are included in these financial statements.

## AZTEC OILS HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 MARCH 2022**

#### 10 Discontinued operations

In March 2021 there was a demerger of the group whereby two subsidiaries were transferred to a new holding company, Lubricant Group Holdings Limited. The results of these subsidiaries are therefore presented as discontinued operations including Northern Oils (Scotland) Limited and Onari Corporate Limited.

A loss on disposal of £171,476 arose on the disposals being the proceeds of the sale less the carrying amount of business assets and attributable goodwill.

#### 11 Intangible fixed assets

<b>Group</b>	<b>Goodwill</b>
	<b>£</b>
<b>Cost</b>	
At 1 April 2021 and 31 March 2022	384,622
	<hr/>
<b>Amortisation and impairment</b>	
At 1 April 2021	88,868
Amortisation charged for the period	73,939
	<hr/>
At 31 March 2022	162,807
	<hr/>
<b>Carrying amount</b>	
At 31 March 2022	221,815
	<hr/>
At 31 March 2021	295,754
	<hr/>

The company had no intangible fixed assets at 31 March 2022 or 31 March 2021.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2021	1,305,025	1,032,369	3,236,936	205,733	655,078	6,435,141
Additions	32,398	-	355,310	200,527	54,427	642,662
Disposals	-	-	(40,100)	(5,000)	(86,364)	(131,464)
At 31 March 2022	1,337,423	1,032,369	3,552,146	401,260	623,141	6,946,339
<b>Depreciation and impairment</b>						
At 1 April 2021	436,493	18,630	1,968,779	81,487	348,512	2,853,901
Depreciation charged in the period	82,996	4,000	391,231	64,229	81,459	623,915
Eliminated in respect of disposals	-	-	(19,736)	(1,267)	(59,871)	(80,874)
At 31 March 2022	519,489	22,630	2,340,274	144,449	370,100	3,396,942
<b>Carrying amount</b>						
At 31 March 2022	817,934	1,009,739	1,211,872	256,811	253,041	3,549,397
At 31 March 2021	868,532	1,013,739	1,268,157	124,246	306,566	3,581,240

The company had no tangible fixed assets at 31 March 2022 or 31 March 2021.

### 13 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	14	-	-	10,000	-

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 13 Fixed asset investments (Continued)

#### Movements in fixed asset investments Company

Shares in  
subsidiaries  
£

#### Cost or valuation

At 1 April 2021

-

Additions

10,000

At 31 March 2022

10,000

#### Carrying amount

At 31 March 2022

10,000

At 31 March 2021

-

### 14 Subsidiaries

Details of the company's subsidiaries at 31 March 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Aztec Oils Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00
Lubricant Holdings (Midlands) Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00
Multispec Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00
Oiline Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00
Hallett Oils Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00
WHCOGold 2 Limited	31-33 Intake Road, Bolsover Business Park, Bolsover, Chesterfield, England, S44 6BB	Ordinary	100.00

### 15 Stocks

	Group 2022 £	2021 £	Company 2022 £	2021 £
Finished goods and goods for resale	3,535,441	2,996,659	-	-

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 16 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	6,991,016	4,896,931	-	-
Corporation tax recoverable	-	79,677	-	-
Other debtors	1,002,783	2,131,850	-	-
Prepayments and accrued income	116,004	113,830	-	-
	<u>8,109,803</u>	<u>7,222,288</u>	<u>-</u>	<u>-</u>

### 17 Creditors: amounts falling due within one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans	19	412,175	552,393	-	-
Obligations under finance leases	20	106,412	113,996	-	-
Trade creditors		4,356,188	4,074,993	-	-
Corporation tax payable		70,628	-	-	-
Other taxation and social security		148,884	146,330	-	-
Other creditors		4,831,490	3,950,776	-	-
Accruals and deferred income		313,156	206,499	-	-
		<u>10,238,933</u>	<u>9,044,987</u>	<u>-</u>	<u>-</u>

### 18 Creditors: amounts falling due after more than one year

	Notes	Group 2022	2021	Company 2022	2021
		£	£	£	£
Bank loans and overdrafts	19	1,630,764	2,042,486	-	-
Obligations under finance leases	20	92,207	148,648	-	-
		<u>1,722,971</u>	<u>2,191,134</u>	<u>-</u>	<u>-</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	447,558	537,876	-	-
	<u>447,558</u>	<u>537,876</u>	<u>-</u>	<u>-</u>

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 19 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	2,042,939	2,594,879	-	-
Payable within one year	412,175	552,393	-	-
Payable after one year	1,630,764	2,042,486	-	-

The long-term loans are secured by a fixed and floating charge over the assets of the company.

The amounts payable after five years are due monthly instalments with interest charged at 2.5% and 2.2% above the base rate.

### 20 Finance lease obligations

	Group 2022 £	2021 £	Company 2022 £	2021 £
Future minimum lease payments due under finance leases:				
Within one year	106,412	113,996	-	-
In two to five years	92,207	146,513	-	-
In over five years	-	2,135	-	-
	198,619	262,644	-	-

Finance lease payments represent rentals payable by the group for certain items of plant and machinery, office equipment and land and buildings. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

### 21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
<b>Group</b>		
Accelerated capital allowances	344,000	242,000
Short term timing differences	(1,000)	-
	343,000	242,000

The company has no deferred tax assets or liabilities.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 21 Deferred taxation (Continued)

	Group 2022 £	Company 2022 £
<b>Movements in the period:</b>		
Liability at 1 April 2021	242,000	-
Charge to profit or loss	101,000	-
Liability at 31 March 2022	343,000	-

### 22 Retirement benefit schemes

	2022 £	2021 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	167,672	189,595

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 23 Share capital

Group and company	2022 Number	2021 Number	2022 £	2021 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	10,000	-	10,000	-
Ordinary A shares of 0.1p each	-	66,087	-	66
Ordinary B shares of 0.1p each	-	133,913	-	134
	10,000	200,000	10,000	200

The above disclosure reflects the consolidated accounts which have been prepared in accordance with merger accounting and assumes the group was in existence in the previous year as well as the current year.

The parent company issued 1 ordinary share on 11 February 2021 at par value, it issued a further 9,999 ordinary shares as part of a share for share exchange on 15 March 2021 at par value.

### 24 Financial commitments, guarantees and contingent liabilities

The group has charges and guarantees in place at the year end as follows;

Limited guarantees from DTI totalling £784,665  
 Limited guarantees from director, M Lord totalling £1,033,000  
 Limited guarantee from Secretary for the Department for Business, Energy and Industrial Strategy totalling £1,240,000.  
 Cross guarantee between the company and Aztec Oils Holdings Limited, Lubricant Group Holdings Limited, Lubricant Holdings (Midlands) Limited and Northern Oils Scotland Limited.  
 Charge over the property owned by the company.

## AZTEC OILS HOLDINGS LIMITED

### NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

#### 25 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Within one year	26,550	53,100	-	-
Between two and five years	79,650	159,300	-	-
In over five years	13,275	79,650	-	-
	<u>119,475</u>	<u>292,050</u>	<u>-</u>	<u>-</u>

#### 26 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	49,000	-	-	-
	<u>49,000</u>	<u>-</u>	<u>-</u>	<u>-</u>



# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022	2021
	£	£
Aggregate compensation	331,729	271,883

#### Other information

Northern Oils Scotland Limited, Aztec Oils Southwest Limited, O.W.T. BV, Aztec Oils Europe BV and Aztec Lubricants NI Limited are all related parties by virtue of the significant influence of Mark Lord. Related party balances at the year end were as follows;

##### Northern Oils Scotland Limited

Balance owed to the company of £433,650 included in trade debtors.

Balance owed from the company of £2,084 included in trade creditors.

Management charge received by the company of £19,136.

##### Aztec Oils Southwest Limited

Balance owed to the company of £246,755 included in trade debtors.

Balance owed to the company of £294,442 included in other debtors.

Management charge received by the company of £24,000.

##### O.W.T. BV

Balance owed to the company of £20,657 included in trade debtors.

Balance owed from the company of £73,854 included in trade creditors.

Management charge received by the company of £24,000.

##### Aztec Oils Europe BV

Balance owed to the company of £35,325 included in other debtors.

Management charge received by the company of £862.

##### Aztec Lubricants NI Limited

Balance owed to the company of £167,937 included in trade debtors.

Balance owed from the company of £3,689 included in trade creditors.

### 28 Controlling party

A majority shareholding in Aztec Oils Holdings Limited is owned via an employee ownership trust called the Aztec Oils EOT Trust. Aztec EOT Trustees Limited is the trustee body responsible for governing the trust on behalf of the employees. As Aztec EOT Trustees Limited has the power to appoint and remove directors amongst other powers, it is determined as the controlling party.

# AZTEC OILS HOLDINGS LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2022

### 29 Cash generated from/(absorbed by) group operations

	2022 £	2021 £
Profit for the period after tax	783,113	197,197
<b>Adjustments for:</b>		
Taxation charged	250,280	160,403
Finance costs	73,934	67,944
Loss/(gain) on disposal of tangible fixed assets	18,588	(80,645)
Amortisation and impairment of intangible assets	73,939	53,230
Depreciation and impairment of tangible fixed assets	623,915	686,272
Other gains and losses	-	171,476
<b>Movements in working capital:</b>		
Increase in stocks	(538,782)	(665,419)
Increase in debtors	(967,192)	(882,065)
Increase in creditors	1,271,120	229,859
<b>Cash generated from/(absorbed by) operations</b>	<b>1,588,915</b>	<b>(61,748)</b>

### 30 Analysis of changes in net debt - group

	1 April 2021 £	Cash flows £	31 March 2022 £
Cash at bank and in hand	275,093	(214,467)	60,626
Borrowings excluding overdrafts	(2,594,879)	551,940	(2,042,939)
Obligations under finance leases	(262,644)	64,025	(198,619)
	<b>(2,582,430)</b>	<b>401,498</b>	<b>(2,180,932)</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.